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A Study on Digital Payment Apps

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ARTICLE INFO	ABSTRACT
<p>Received: 15-07-2022 Received in revised form: 17-08-2022 Accepted: 20-08-2022 Available online: 30-09-2022</p> <hr/> <p>Keywords: Cash Handling Risk; Digital Payment; Online Shopping; Security; UPI.</p>	<p>The Indian market has begun to embrace digital payments as a result of the enormous technological advancements in smartphones and accessible internet access. Investigating the advantages of utilizing online payment apps and examining the various online payment applications in India are the major goals of the study. A questionnaire was distributed to 101 responders, and the findings were tabulated. Based on the data, it was concluded that there was no impact between a person's preferred method of cash payment and their gender.</p>

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1.0 INTRODUCTION

Cashless platforms are those that are paid through digital, or internet means without the interchange of physical cash. Digital payments may be sent to the recipient over the online platform or in person. For example, if a consumer made a purchase in-person from a neighbourhood grocer and paid for the item using UPI at the same time, two separate digital payment transactions would take place. The major goals of digital transactions are to: decrease the costs and dangers associated with handling currency; to make it easier to conduct transactions online; and to enhance the transparency of monetary exchanges between individuals.

1.1 Objectives

The study's objective is to find out how convenient, reliable, and effective digital payment applications are in reducing the risk associated with handling cash. Additionally, to determine whether gender influences the choice of payment method in any way.

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1.2 Review of Literature

Tyagi *et al.*, (2022) This investigation on UPI (Unified Payment Interface)-related apps in India served as the foundation for this research study. The term "digitalisation," which is also growing in popularity as more people use their cell phones, is one that is widely used in today's culture. Users can move money in real-time (P2P) from one person to another or from one merchant to another thanks to a payment server called UPI (P2M). This software allows users to concurrently access several bank accounts. UPI has become incredibly well-liked both in India and beyond because of its features.

Sanjai and Lakshmi (2021) digital payment apps, commonly referred to as mobile payment apps, are used for simple transactions and payments. Customers were made aware of these payment applications for their advantages. UPI payments may be made through a variety of payment applications, including Google Pay, Phone Pe, Paytm, and others. Today, there are many more people using online payment applications, and there are more payment choices available in local markets. Customers are very happy and satisfied with payment applications. This study focuses on customers' use of payment apps and their satisfaction with those apps.

Shukla (2016) states that mobile wallets will eventually become more than simply a means of making payments on the go; they will also play a significant role in providing customers with a seamless shopping experience. In order to address the need for quicker and more secure payments, industry players will need to tackle the genuine pain points, such as leveraging customers to view the components of their stored value cards at any time, access their loyalty points, or automatically receive electronic versions of the trickle-down effect.

Kaur and Pathak (2015) "Secure e-payment system: The user's credit card number, smart card, or any other personal information shouldn't be in danger. Payments may be made without the assistance of a third party at any time over the internet, directly to the transfer settlement, and in an environment that supports electronic commerce. The cost of transferring goods and services is reduced through an effective payments system, which is also essential for the interbank, money, and capital markets to operate".

Franciska and Sahayaselvi (2017), as a consequence of the significant technological improvements in smartphones and readily available internet connections, the Indian market has started to accept digital payments. The current study's objective was to gain more knowledge about the numerous types of digital payment transactions that the typical individual makes every day. The results imply that the digital revolution has simplified transactions using less cash. Due to the growth of mobile networks, the Internet, and electricity, digital payments are now being made in farther-flung locales. Therefore, a cashless payment system is essential for the future.

2.0 RESEARCH METHODOLOGY

A descriptive research design was preferred by the researcher. A convenience sampling technique was adopted, and the data was collected from 101 respondents.

2.1 Selection of the Study Area

Digital Payment through unified payments interface applications.

2.2 Statistical Tools

1. Simple percentage analysis

2. Chi-square Test

3.0 ANALYSIS AND INTERPRETATION

The collected data was edited, coded, tabulated, and analysed, which is illustrated below.

Table 1 – Table Showing Preferred Mode of Payment

Sl. No.	Response	Percentage
1	Cash	11.9
2	Digital Payment	88.1
TOTAL		100.0

Source: Primary data

From the above table, it is found that 88.1% of respondents prefer using digital payment methods, while 11.9% prefer using cash.

Table 2 – Table Showing the Most Used Digital Payment App

Sl. No.	Response	Percentage
1	PhonePe	49.5
2	Google Pay	29.7
3	Paytm	13.9
4	Amazon Pay	1.0
5	BHIM UPI	3.0
6	Others	3.0
TOTAL		100.0

Source: Primary data

From the above table, it is found that 49.5% of respondents choose PhonePe, followed by 29.7% who prefer Google Pay, 13.9% who prefer Paytm, 1% who prefer Amazon Pay, and 3% who use both BHIM UPI and other services.

Table 3 – Table Showing Services Made via Digital Payment App

Sl. No.	Response	Percentage
1	Paying Bills (Electricity, Gas, Water)	22.8
2	Recharge	23.8
3	Online Shopping	34.7
4	Others	18.8
TOTAL		100.0

Source: Primary data

It was found that 34.7% of respondents used digital payment applications for online shopping, followed by 23.8% for recharge, 22.8% for bill payment, and 18.8% for other uses.

Table 4 – Table Showing the Convenience of Digital Payment

Sl. No.	Response	Percentage
1	Very Poor	0.0
2	Poor	0.0
3	Average	11.9
4	Good	45.5
5	Very Good	42.6
TOTAL		100.0

Source: *Primary data*

From the above table, it is found that 45.5% of respondents gave it a good rating, 42.6% gave it a very good rating, and 11.9% gave it an average rating in terms of how convenient it is to use digital payment applications.

Table 5 – Table Showing Whether Adopting Digital Payment Apps Allows to Save Time

Sl. No.	Response	Percentage
1	Yes	85.1
2	No	1.0
3	Maybe	13.9
TOTAL		100.0

Source: *Primary data*

From the above table, it is found that digital payment applications saving time received a yes vote from 85.1% of respondents, and a maybe vote from 13.9% of respondents. And 1% of respondents cast a "no vote."

Table 6 – Table Showing Additional Benefits Provided by Digital Payment Apps

Sl. No.	Response	Percentage
1	Discounts	12.4
2	Cashbacks	32.0
3	Vouchers/Coupons	55.7
TOTAL		100.0

Source: *Primary data*

From the above table, it is found that vouchers or discounts were chosen by 55.7% of respondents as one of the extra benefits they receive from using digital payment applications. 12.4% of respondents chose discounts, while 32% chose cashback as their supplementary reward.

Table 7 – Table Showing Digital Payment App Usage Before COVID-19

Sl. No.	Response	Percentage
1	Yes	71.3
2	No	14.9
3	Sometimes	13.9
TOTAL		100.0

Source: *Primary data*

From the above table, it is found that before COVID-19, 71.3% of respondents used various digital payment apps. Before COVID-19, 14.9% of respondents did not use digital payment applications, while 13.9% of respondents occasionally used such apps.

Table 8 – Table Showing Whether Digital Payment Apps Provide Security

Sl. No.	Response	Percentage
1	Yes	60.4
2	No	2.0
3	Maybe	37.6
TOTAL		100.0

Source: Primary data

From the above table, it is found that digital payment app security was rated positively by 60.4% of respondents, maybe positively by 37.6% of respondents, and negatively by 2% of respondents.

Table 9 – Table Showing Nudges for Online Payment

Sl. No.	Response	Percentage
1	Lack of Cash	18.2
2	Lack of Change	21.2
3	Cashback	4.0
4	Convenience	56.6
TOTAL		100.0

Source: Primary data

It was found that 56.6% of respondents chose convenience as the motivating factor for using a digital payment app, followed by lack of change (21.2%), lack of cash (18.2%), and cashback (4%).

Table 10 – Table Showing Risk of Cash Handling in Digital Payment Apps

Sl. No.	Response	Percentage
1	Yes	79.2
2	No	5.0
3	Maybe	15.8
TOTAL		100.0

Source: Primary data

From the above table, it is found that risk in managing funds on a digital platform was selected by 79.2% of respondents. 15.8% of respondents said they may, and 5% said they wouldn't because of the risk associated with handling cash.

Furthermore, the data is analysed using the chi-square test.

- **H₀:** No relationship between the respondents' nominated method of payment and gender.

- **H₁:** *There is a relationship between the respondents' nominated method of payment and gender.*

Table 11 – Table Showing Gender of Respondents

Sl. No.	Response	Number	Percentage
1	Male	57	56.4
2	Female	44	43.6
TOTAL		101	100.0

Source: Primary data

Interpretation: From the above table, it was discovered that 56.4% of respondents were male, and 43.6% were female.

3.1 Chi-Square Test Analysis

Gender	Payment Mode		
	Cash	Digital Payment	Total
Male	8	49	57
Female	4	40	44
TOTAL	12	89	101

Gender	Payment Mode		
	Cash	Digital Payment	Total
Male	6.77	50.23	57.00
Female	5.23	38.77	44.00
TOTAL	12.00	89.00	101.00

According to the above data, there is no relationship between respondents' nominated method of payment and gender ($p\text{-value} = 0.4$). Therefore, it is acceptable to accept the null hypothesis.

4.0 FINDINGS

1. Most of the respondents prefer digital payment over cash. Out of 101 respondents, 89 prefer digital payments, and only 12 prefer cash. Online payment is more convenient than carrying cash around.
2. Out of all the respondents, PhonePe was preferred by 50 people, followed by 30 people for Google Pay, which was the most preferred application.
3. The top three services in digital payment applications were online shopping (35), recharge (24), and bill payment (23).
4. In terms of how convenient digital payment applications are, 43 of the respondents gave them a very good rating, while 46 said they were good.
5. Out of all the respondents, 86 people agreed that utilising a digital payment app really save time.

6. Vouchers or discounts were the additional advantage received by 54 respondents, followed by cash back for 31.
7. Out of all the respondents, 72 people reported using mobile wallets prior to COVID-19.
8. Approximately 61 participants believe using digital payment apps is secure.
9. Responders are encouraged to utilise digital payment apps for convenience, followed by a shortage of change and currency.
10. According to respondents, utilising digital payment applications has decreased the danger associated with handling cash.
11. Gender has no bearing on preferred payment methods.
12. UPI payments, based on the respondents, cannot replace traditional cash.

5.0 CONCLUSION

The payment industry, which has been fast adopting digital technology and developing each year, has been referred to as "digitalising," a term that is often used in today's culture. The research includes in-depth studies of the functionality, usability, and convenience of the five most widely used UPI applications in India: PhonePe, Google Pay, Amazon Pay, BHIM UPI, and Paytm. Our study found that most people preferred making online payments over cash payments since carrying cash raises the risk of losing it and how different digital payment applications were mostly utilised for online shopping, recharge, and bill payment. Additionally, it was discovered that there was no connection of any significance between the respondents' preferred method of payment and their gender.

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